

FISCAL NOTE

SB 2785 - HB 2705

February 3, 2000

SUMMARY OF BILL: Increases the maximum cash award under the Employee Suggestion Award Program from \$6,000 to \$25,000 and deletes the ineligibility for certain state employees. Authorizes the employee suggestion award board to recommend to the governor that a recurring cash award, not to exceed 25% of the total recurring annual savings to state government, be allocated each year to the administrative head of the department or agency benefiting from the employee's suggestion. Allocation is to be used exclusively for salary enhancements for employees of the department or agency. Upon receiving any such recommendation from the board, the governor shall include such recommended recurring cash award within the appropriations bill prepared and introduced pursuant to § 9-4-5105.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Net Impact - Exceeds \$100,000

Estimate assumes increasing the maximum cash award from \$6,000 to \$25,000 and making employees who are not currently eligible for financial awards eligible would significantly increase the amount of cash awards paid.

Providing a recurring appropriation for salary increases equal to 25% of estimated savings resulting from employee suggestions would result in a significant increase in expenditures since some existing savings are projected in the thousands of dollars.

Providing greater rewards will likely increase the number of suggestions made and may result in additional savings to the state, however it will also significantly increase the amounts paid for future suggestions that would have been made without the higher award amounts.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director